



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2  
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JUL 19 2006

Magalie R. Salas, Secretary  
Federal Energy Regulatory Commission  
888 First St. NE, Room 1A  
Washington, DC 20426

Class: LO

Reference:

- Docket Nos. CP98-150-006 et al. and CP98-151-003 et al. for the Millennium Pipeline Project;
- Docket No. CP05-19-000 for the Line A-5 Replacement Project;
- Docket No. CP06-5-000 for the Empire Connector Project;
- Docket No. CP06-76-000 for the Algonquin Ramapo Replacement Project; and
- Docket No. CP02-31-002 for the Iroquois Market Access Project

Dear Ms. Salas:

The Environmental Protection Agency (EPA) has reviewed the draft supplemental environmental impact statement (DSEIS) for the Northeast (NE)-07 Project (CEQ # 20060249), a joint venture natural gas pipeline to be located in several New York State counties; Morris County, New Jersey; and Fairfield and New Haven Counties, Connecticut. This review was conducted in accordance with Section 309 of the Clean Air Act, as amended (42 U.S.C. 7609, PL 91-604 12(a); 84 Stat.1709), and the National Environmental Policy Act (NEPA).

Project Description:

The DSEIS was drafted as a supplement to a Final Environmental Impact Statement (FEIS) that was prepared in 2001 for a project then referred to as the Millennium Pipeline Project. Although the Federal Energy Regulatory Commission (FERC) issued an order approving the Millennium Pipeline Project in 2002, the New York State Department of State denied the individual coastal zone consistency concurrence for the project on May 9, 2002, and the U.S. Army Corps of Engineers denied a Department of the Army Permit without prejudice on January 20, 2004. The NE-07 Project is a modification of and an alternative to the Millennium Pipeline Project. It includes the construction and operation of certain facilities approved for the Millennium Pipeline Project, with some additions and modifications, as well as facilities proposed by four other companies as summarized below:

- Millennium would construct, acquire, and operate certain amendment facilities in Docket Nos. CP98-150-006, CP98-150-007, and CP98-150-008 for the Millennium Pipeline Project – Phase I, or the Phase I Project.



- Columbia has proposed in Docket Nos. CP98-151-003 and CP98-151-004 to abandon, in place or by conveyance to Millennium, certain facilities related to the Millennium amendment applications.
- Columbia has proposed the Line A-5 Replacement Project in Docket No. CP05-19-000.
- Empire State Pipeline and Empire Pipeline, Inc. propose in Docket No. CP06-5-000 to construct the Empire Connector Project.
- Algonquin Gas Transmission System, LLC proposes in Docket No. CP06-76-000 to construct the Ramapo Expansion Project.
- Iroquois Gas Transmission System, LP proposes in Docket No. CP02-31-002 to amend the certificate it received from the Commission on October 31, 2002, in Docket No. CP02-31-000 to modify the approved facilities and to construct and operate certain additional facilities for the Market Access Project. (An environmental assessment (EA) was issued for Iroquois' Brookfield Expansion Project in the original proceeding in 2002. The EA and the record of the decision in that proceeding were incorporated by reference into this DSEIS.)

#### Background:

In EPA's June 1999 review of the original Millennium Project's draft environmental impact statement (DEIS), we expressed environmental objections to the project, because we believed that it could result in significant adverse environmental impacts. In particular, we were concerned about impacts to wetlands; the potential to encounter contaminated sediments during water crossings; the project's cumulative impacts; and safety/emergency procedures related to protecting the New York City water supply system. Subsequently, FERC prepared a supplement to its DEIS on the Millennium Project that addressed the potential environmental impacts associated with an amended portion of the route (the Route 9A/9 Proposal), and to provide updated information concerning the results of various additional studies related to other portions of the proposed project. EPA commented on the supplemental in April 2001 and again expressed environmental objections because, although the document addressed a number of our previous concerns about the project, we continued to have concerns about the project's potentially adverse wetlands impacts, an inadequate plan for disposal of potentially contaminated sediments, and other miscellaneous impacts. In December of 2001, EPA commented on the final EIS and removed our objections, as many of our concerns were addressed.

#### Review and Summary:

The NE-07 Project avoids or minimizes many of the potential environmental impacts that were present in the original Millennium Project proposal, particularly concerning protected species, the New York City water supply system, and contaminated sediments. While the DSEIS identifies impacts to wetlands, appropriate mitigation is proposed. Consistent with the statement by FERC within the DSEIS, EPA recommends that a wetland mitigation plan(s) be included in the Final EIS for this project. In summary, based on our review and in accordance with EPA policy, we have rated this DSEIS as LO, indicating that we have a lack of objection to the project's implementation.

Thank you for the opportunity to review the DSEIS for the project. If you have any questions concerning EPA's comments, please contact Lingard Knutson at (212) 637-3747.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John Filippelli". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

John Filippelli, Chief  
Strategic Planning Multi-Media Programs Branch